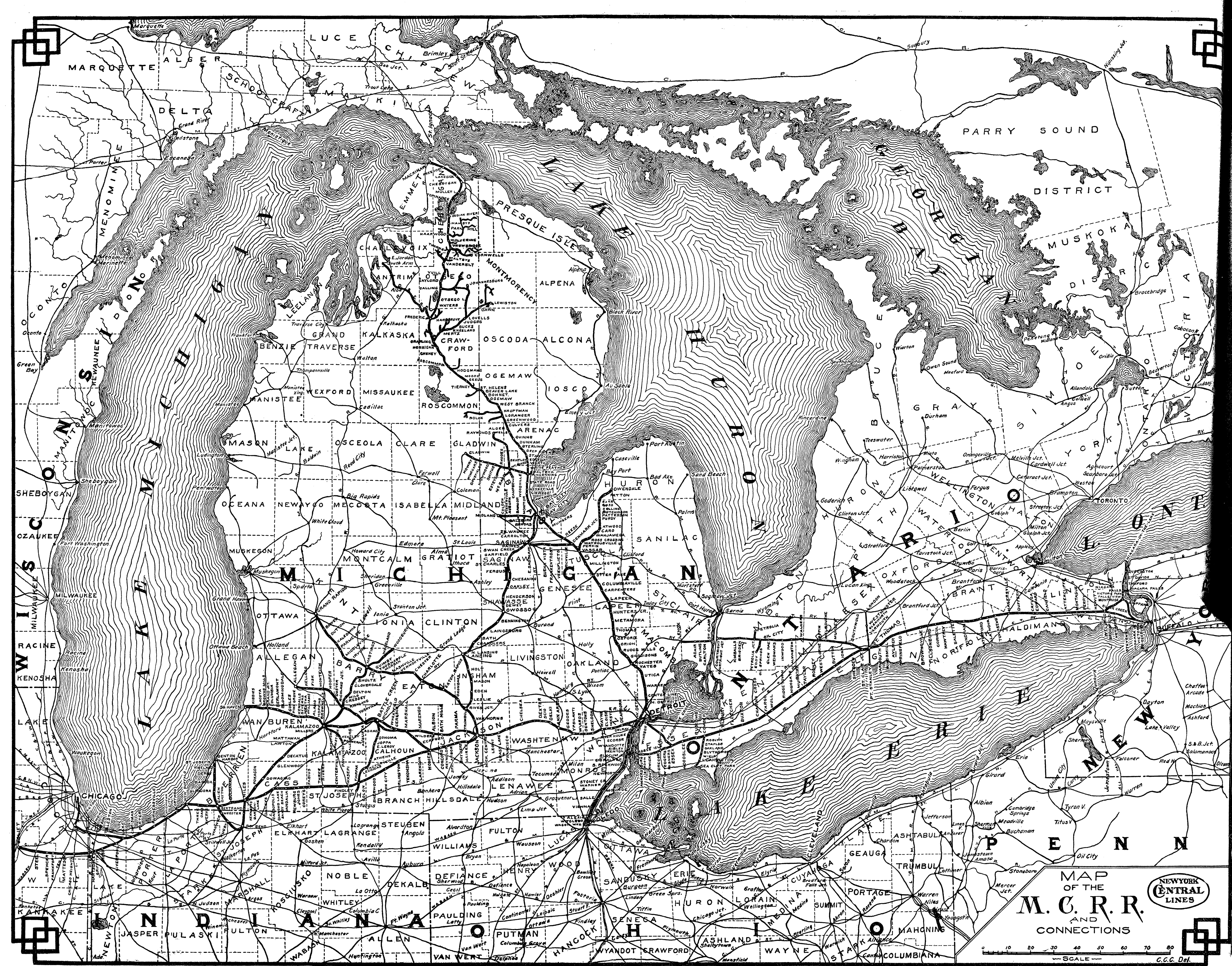


SIXTY-THIRD
ANNUAL REPORT OF THE BOARD OF DIRECTORS
OF THE
MICHIGAN CENTRAL RAILROAD COMPANY
TO THE STOCKHOLDERS
FOR THE YEAR ENDED
DECEMBER 31 1908



DETROIT
MICHIGAN



MAP
OF THE
M. C. R. R.
AND
CONNECTIONS

NEW YORK
CENTRAL
LINES

SCALE
0 10 20 30 40 50 60 70 80
C.C.C. Def.

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DETROIT
MICHIGAN



ORGANIZATION OF THE MICHIGAN CENTRAL RAILROAD COMPANY

DECEMBER 31, 1908

DIRECTORS

Elected at the annual meeting of stockholders held at Detroit, Michigan, May 7, 1908

HENRY B. LEDYARD, *Chairman*

WILLIAM K. VANDERBILT	WILLIAM H. NEWMAN
FREDERICK W. VANDERBILT	J. PIERPONT MORGAN
CHAUNCEY M. DEPEW	WILLIAM ROCKEFELLER
SAMUEL F. BARGER	JAMES STILLMAN
HAMILTON McK. TWOMBLY	WILLIAM C. BROWN
WILLIAM K. VANDERBILT, Jr.	GEORGE F. BAKER

EXECUTIVE COMMITTEE

HENRY B. LEDYARD, *Chairman of the Board of Directors**

WILLIAM H. NEWMAN, *President**

WILLIAM K. VANDERBILT	SAMUEL F. BARGER
FREDERICK W. VANDERBILT	HAMILTON McK. TWOMBLY
J. PIERPONT MORGAN	WILLIAM ROCKEFELLER

JAMES STILLMAN

**Members ex officio*

OFFICERS

President	WILLIAM H. NEWMAN	New York
Senior Vice President	WILLIAM C. BROWN	New York
Vice President	EDWARD V. W. ROSSITER	New York
Vice President	JOHN CARSTENSEN	New York
Vice President	CHARLES E. SCHAFF	Chicago
Vice President	ALBERT H. HARRIS	New York
Vice President	CHARLES F. DALY	New York
Secretary	DWIGHT W. PARDEE	New York
Treasurer	CHARLES F. COX	New York
General Manager	RICHARD H. L'HOMMEDIEU	Detroit
General Superintendent	SHELDON W. BROWN	Detroit
General Supt. MPRS&M	JOHN F. DEEMS	New York
Chief Engineer	GEORGE H. WEBB	Detroit
Auditor	FRANK O. WALDO	Detroit
General Purchasing Agent	FRANCIS H. GREENE	New York
Purchasing Agent	JOSEPH F. FARRELL	Detroit
General Freight Traffic Manager	BARRETT B. MITCHELL	Chicago
Freight Traffic Manager	GEORGE H. INGALLS	Chicago
General Freight Agent	WILLIAM C. ROWLEY	Detroit
Passenger Traffic Manager	WARREN J. LYNCH	Chicago
General Passenger Agent	OLIVER W. RUGGLES	Chicago
Advisory Counsel	ASHLEY POND	Detroit
General Counsel	HENRY RUSSEL	Detroit

The annual meeting of stockholders for the election of directors, is held in the city of Detroit, Michigan, on the Thursday following the first Wednesday in May.

REPORT

To the stockholders of

THE MICHIGAN CENTRAL RAILROAD COMPANY:

The Board of Directors herewith submits its report for the year ended December 31, 1908, with statements showing the results for the year and the financial condition of the company.

The report covers the operation of the following mileage:

	<i>Miles</i>
Main line	270.07
Proprietary lines	345.05
Leased lines	1,117.34
Lines operated under trackage rights	14.00
Total road operated	<u>1,746.46</u>

A statement showing in detail the miles of road and track operated will be found upon another page.

The capital stock authorized and issued to December 31, 1908, was	<u>\$18,738,000 00</u>
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The funded debt outstanding on December 31, 1907, was	\$26,765,000 00
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It has been decreased during the year ended December 31, 1908, as follows:

Michigan Central-Jackson, Lansing & Saginaw three and one-half per cent gold bonds of 1951 purchased and cancelled by the Trustees of the Land Grant Fund of the Jackson, Lansing & Saginaw Railroad Company,	\$10,000 00
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Michigan Central-Terminal four per cent bonds of 1941 retired in exchange for Indiana Harbor Belt four per cent bonds	<u>725,000 00</u>	<u>735,000 00</u>
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Total funded debt December 31, 1908 (detail on another page)	<u><u>\$26,030,000 00</u></u>
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SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

	1908	1907	Increase	Decrease
	1,746,46 miles operated	1,746,46 miles operated		
EARNINGS FROM OPERATION				
From freight traffic	\$16,947,001 50	\$19,926,803 28		\$2,979,801 78
From passenger traffic	6,168,190 19	6,541,102 67		372,912 48
From express traffic	1,040,663 03	1,241,632 68		200,969 65
From transportation of mails	413,540 83	429,173 16		15,632 33
From rentals	43,536 34	31,786 18	\$11,750 16	
From miscellaneous sources	305,556 06	376,611 97		71,055 91
Totals	\$24,918,487 95	\$28,547,109 94		\$3,628,621 99
EXPENSES OF OPERATION	(76.27%)	(81.03%)		(4.76%)
For maintenance of way and structures	\$3,061,374 85	\$4,991,923 14		\$1,930,548 29
For maintenance of equipment	2,978,743 87	4,070,277 11		\$1,091,533 24
For conducting transportation	12,406,032 50	13,503,986 92		1,097,954 42
For general expenses	559,201 12	565,563 48		6,362 36
TOTAL EXPENSES	\$19,005,352 34	\$23,131,750 65		\$4,126,398 31
NET EARNINGS	\$5,913,135 61	\$5,415,359 29	\$497,776 32	
OTHER INCOME	655,505 40	702,518 99		\$47,013 59
GROSS INCOME	\$6,568,641 01	\$6,117,878 28	\$450,762 73	
FIRST CHARGES				
Interest on funded debt	\$2,268,938 33	\$2,098,230 00	\$170,708 33	
Rentals of leased lines	510,310 00	568,200 42		\$57,890 42
Taxes	1,105,694 21	1,008,775 79	96,918 42	
Interest on loans, notes and bills payable	842,176 27	702,006 59	140,169 68	
Interest on equipment trust certificates	214,402 05	11,300 00	203,102 05	
Totals	\$4,941,520 86	\$4,388,512 80	\$553,008 06	
BALANCE AVAILABLE FOR DIVIDEND	\$1,627,120 15	\$1,729,365 48		\$102,245 33
Cash dividends (in 1908, 6%, in 1907, 8%)	1,124,280 00	1,499,040 00		374,760 00
SURPLUS	\$502,840 15	\$230,325 48	\$272,514 67	
Surplus for the year				\$502,840 15
Amount to credit of Profit and Loss, December 31, 1907				9,131,127 34
				\$9,633,967 49
Deduct:				
Expenses of extension Canada Southern First Mortgage bonds			\$141,291 45	
Loss on sale of Chicago, Indiana and Southern bonds			315,107 44	
Discount, commissions and expenses on account of Equipment Trust certificates			257,721 27	
Use of Indiana Harbor Belt terminal facilities prior to 1908			109,446 60	
Adjustment of sundry accounts			69,386 67	892,953 43
Balance to credit of Profit and Loss, December 31, 1908				\$8,741,014 06

The gross earnings were \$24,918,487.95, a decrease of \$3,628,621.99 from the previous year.

The freight earnings were \$16,947,001.50, a decrease of \$2,979,801.78. This was due to a decreased movement in nearly all commodities.

The passenger earnings were \$6,168,190.19, a decrease of \$372,912.48, due to a general decrease in both local and interline business.

The express earnings were \$1,040,663.03, a decrease of \$200,969.65.

Earnings from transportation of mails were \$413,540.83, a decrease of \$15,632.33.

The total expenses of operation were \$19,005,352.34, a decrease of \$4,126,398.31.

Maintenance of way and structures decreased \$1,930,548.29: due to the general economies effected and reduced expenditures for new buildings, separation of grades, new yards, logging branches, etc.

Maintenance of equipment decreased \$1,091,533.24: largely due to the reduction in expenditures for repairs on account of idle equipment during the business depression.

Conducting transportation decreased \$1,097,954.42: due principally to the falling off in the volume of traffic handled and a general curtailment of expenses. The decrease in car mileage—per diem account was caused by the preference given to loading of this company's cars and by the change in the rate of per diem on March 1, 1908, from 50 cents to 25 cents. The increase in rents for tracks, yards and terminals is on account of additional expenditures for terminal facilities; and the increase in expenses of stock yards and elevators is on account of extraordinary expenditures incident to the apthous fever epidemic.

The net earnings were \$5,913,135.61, an increase of \$497,776.32.

Other income was \$655,505.40, a decrease of \$47,013.59.

First charges increased \$553,008.06, the principal items being interest on additional bonds and equipment trust certificates issued, increased rate on Canada Southern first mortgage bonds, and interest on loans.

The profit from operation for the year, after payment of 6% in dividends upon the capital stock, was \$502,840.15, which has been carried to the credit of Profit and Loss.

Total cost of road and equipment to December 31, 1908	\$35,213,257 09
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This represents per mile owned (270.07 miles) \$130,386

Joliet and Northern Indiana Railroad Construction account was increased by expenditures for elevation of tracks in the City of Joliet	\$71,338 77
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Terminal Railroad (Chicago) Construction account was decreased by expenditures for construction assumed by the Indiana Harbor Belt Railroad Company as explained below	\$823,443 17
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Jackson, Lansing & Saginaw Railroad Construction account was decreased by purchase and retirement of bonds as previously commented upon	\$10,000 00
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On January 1, 1908, the Indiana Harbor Belt Railroad Company having taken over the ownership and control of the Terminal Railroad property, in accordance with the terms of the agreement of January 29, 1907, there were retired \$725,000 of Michigan Central-Terminal Railroad four per cent bonds, in exchange for which a like amount of Indiana Harbor Belt Railroad general mortgage four per cent bonds were issued. During the year this company received from the Indiana Harbor Belt Railroad Company \$105,000 of the latter issue of bonds in consideration of the transfer and delivery to the Indiana Harbor Belt Railroad Company of 1058 shares of the capital stock of the Calumet Western Railroad Company. The Michigan Central Railroad Company further received from the Indiana Harbor Belt Railroad Company \$98,443.17 in cash, in reimbursement of the amount expended for the construction of the Terminal Railroad in excess of the proceeds of the \$725,000 Michigan Central-Terminal Railroad bonds above mentioned.

Under agreement of December 4, 1907, covering reorganization of the Toledo Terminal Railroad Company (in succession to Toledo Railway and Terminal Company) this company acquired 12 per cent, viz: 4,800 shares, of the outstanding capital stock of the Toledo Terminal Railroad Company, and guarantees interest on that company's four and one-half per cent fifty-year bonds of 1957, aggregating \$6,000,000.00, in proportion to stock holdings.

There were sold during the year \$3,825,000.00 four per cent First Mortgage bonds of the Chicago, Indiana & Southern Railroad Company, and \$115,000.00 general mortgage four per cent bonds of the Indiana Harbor Belt Railroad Company.

On January 1, 1908, \$14,000,000.00 Canada Southern first mortgage five per cent bonds were extended to January 1, 1913, at six per cent.

Full particulars regarding the equipment acquired and rental paid under the terms of the New York Central Lines Equipment Trust Agreement and Lease of 1907 will be found on another page.

Effective January 1, 1908, an agreement, modifying that dated December 29, 1903, was entered into with the Pere Marquette Railroad Company, under the terms of which the annual rental payable by the latter was reduced on account of its relinquishment of the right to use the St. Clair Branch of the Canada Southern Railway between the junction of the Lake Erie and Detroit River Railway, near Courtright, Ontario, and St. Clair Junction, and also that portion of the main line between St. Clair Junction and the crossing of the London & Port Stanley Railway.

The following appointments of officials were made during the year :

January 1, Clyde Brown, General Solicitor.

January 1, Henry Russel, General Counsel.

January 1, Ora E. Butterfield, General Attorney.

July 1, Joseph S. Hall, Assistant General Passenger Agent.

October 7, Frank O. Waldo was appointed Auditor to succeed A. Judson Burt, who died on June 11, 1908.

November 24, the jurisdiction of Charles F. Daly, Vice-President in charge of passenger traffic, was extended to cover freight, mail and express traffic.

W. H. NEWMAN,

President.

EXPENSES IN DETAIL

MAINTENANCE OF WAY AND STRUCTURES

	1908	1907	Increase	Decrease
Repairs of roadway	\$1,722,707 50	\$2,581,839 91		\$859,132 41
Renewals of rails	304,027 10	475,535 96		171,508 86
Renewals of ties	485,528 17	450,280 41	\$35,247 76	
Repairs and renewals of bridges and culverts	206,119 26	697,161 03		491,041 77
Repairs and renewals of fences, road crossings, } signs and cattle guards	81,065 67	253,524 13		172,458 46
Repairs and renewals of buildings and fixtures	242,508 06	474,504 89		231,996 83
Repairs and renewals of docks and wharves	5,745 85	28,243 83		22,497 98
Repairs and renewals of telegraph	8,095 84	24,610 26		16,514 42
Stationery and printing	5,527 40	6,047 72		520 32
Other expenses	50 00	175 00		125 00
Totals	\$3,061,374 85	\$4,991,923 14		\$1,930,548 29

MAINTENANCE OF EQUIPMENT

Superintendence	\$99,390 65	\$100,892 94		\$1,502 29
Repairs and renewals of locomotives	1,074,525 48	1,152,106 92		77,581 44
Repairs and renewals of passenger cars	148,073 66	200,504 31		52,430 65
Repairs and renewals of freight cars	1,489,073 64	2,316,317 03		827,243 39
Repairs and renewals of work cars	19,432 85	69,470 15		50,037 30
Repairs and renewals of marine equipment	18,128 48	36,697 29		18,568 81
Repairs and renewals of shop machinery and tools	51,355 41	97,605 31		46,249 90
Stationery and printing	6,606 05	7,215 30		609 25
Other expenses	72,157 65	89,467 86		17,310 21
Totals	\$2,978,743 87	\$4,070,277 11		\$1,091,533 24

CONDUCTING TRANSPORTATION

Superintendence	\$397,802 99	\$387,867 58	\$9,935 41	
Engine and roundhouse men	1,712,840 62	1,826,465 89		\$113,625 27
Fuel for locomotives	2,380,351 29	2,582,046 93		201,695 64
Water supply for locomotives	103,678 89	93,490 15	10,188 74	
Oil, tallow and waste for locomotives	56,749 50	69,516 47		12,766 97
Other supplies for locomotives	16,982 83	22,234 15		5,251 32
Train service	1,010,651 16	1,112,997 09		102,345 93
Train supplies and expenses	330,875 34	408,818 90		77,943 56
Switchmen, flagmen and watchmen	970,303 21	1,038,567 40		68,264 19
Telegraph expenses	310,237 76	299,355 38	10,882 38	
Station service	1,373,371 25	1,550,519 89		177,148 64
Station supplies	119,702 78	114,892 45	4,810 33	
Switching charges—balance	529,556 42	554,557 41		25,000 99
Car mileage and per diem—balance	755,886 62	1,004,680 03		248,793 41
Loss and damage	351,811 87	350,863 43	948 44	
Injuries to persons	191,950 10	224,950 86		33,000 76
Clearing wrecks	28,118 74	48,685 50		20,566 76
Operating marine equipment	131,120 55	141,344 47		10,223 92
Advertising	59,259 72	76,085 87		16,826 15
Carried forward	\$10,831,251 64	\$11,907,939 85		\$1,076,688 21

EXPENSES IN DETAIL (continued)

CONDUCTING TRANSPORTATION (continued)

	1908.	1907	Increase	Decrease
<i>Brought forward</i>	\$10,831,251 64	\$11,907,939 85		\$1,076,688 21
Outside agencies	393,397 57	468,171 88		74,774 31
Stock yards and elevators	92,007 67	65,292 80	\$26,714 87	
Rents for tracks, yards and terminals	766,239 00	700,223 20	66,015 80	
Rents of buildings and other property	33,530 67	21,116 32	12,414 35	
Stationery and printing	145,981 78	160,241 11		14,259 33
Other expenses	143,624 17	181,001 76		37,377 59
Totals	<u>\$12,406,032 50</u>	<u>\$13,503,986 92</u>		<u>\$1,097,954 42</u>

GENERAL EXPENSES

Salaries of general officers	\$178,753 84	\$175,310 84	\$3,443 00	
Salaries of clerks and attendants	245,602 94	236,253 27	9,349 67	
General office expenses and supplies	17,651 12	20,371 02		\$2,719 90
Insurance	24,582 37	37,930 12		13,347 75
Law expenses	47,286 07	57,798 04		10,511 97
Stationery and printing (general offices)	11,731 29	16,413 69		4,682 40
Other expenses	33,593 49	21,486 50	12,106 99	
Totals	<u>\$559,201 12</u>	<u>\$565,563 48</u>		<u>\$6,362 36</u>

PERCENTAGE OF OPERATING EXPENSES TO GROSS EARNINGS BY GROUPS

	1908	1907
Maintenance of way and structures	12.29	17.49
Maintenance of equipment	11.95	14.26
Conducting transportation	49.79	47.30
General expenses	2.24	1.98
Totals	<u>76.27</u>	<u>81.03</u>

*FIRST CHARGES**Interest on bonds*

THIS COMPANY'S BONDS

Interest at 3½ % per annum on Michigan Central First mortgage bonds	\$490,000 00
Interest at 6 % per annum on Grand River Valley First mortgage bonds	30,000 00
Interest at 6 % per annum on Grand River Valley First mortgage bonds	60,000 00
Interest at 5 % per annum on Detroit & Bay City First mortgage bonds	200,000 00
Interest at 5 % per annum on Kalamazoo & South Haven First mortgage bonds	35,000 00
Interest at 4 % per annum on Michigan Air Line First mortgage bonds	104,000 00
Interest at 3½ % per annum on Jackson, Lansing & Saginaw First mortgage bonds	60,608 33
Interest at 4 % per annum on Joliet & Northern Indiana First mortgage bonds	60,000 00
Total	\$1,039,608 33

LEASED LINE BONDS

Interest at 3 % per annum on Bay City & Battle Creek First mortgage bonds	\$7,500 00
Interest at 3 % per annum on Battle Creek & Sturgis First mortgage bonds	12,630 00
Interest at 6 % per annum on Canada Southern First mortgage bonds	840,000 00
Interest at 5 % per annum on Canada Southern Second mortgage bonds	300,000 00
Interest at 4 % per annum on Leamington and St. Clair mortgage bonds	5,200 00
Interest at 4 % per annum on Toledo, Canada Southern and Detroit First mortgage bonds	64,000 00
Total	\$1,229,330 00
Grand total	\$2,268,938 33

Rentals of leased lines

Jackson, Lansing & Saginaw rental	\$70,000 00
Jackson, Lansing & Saginaw expenses	750 00
Grand River Valley rental	24,560 00
Joliet & Northern Indiana rental	15,000 00
Canada Southern rental	375,000 00
St. Joseph, South Bend and Southern rental	20,000 00
Benton Harbor Extension, etc., rental	5,000 00
Total	\$510,310 00

FIRST CHARGES (concluded)

Taxes

ON REAL ESTATE AND PROPERTY (INCLUDING LEASED LINES)

In the State of Michigan	\$915,027 25
In the State of Indiana	80,158 52
In the State of Illinois	43,794 28
In the State of Ohio	10,863 61
In the State of New York	1,871 09
In the Dominion of Canada	50,760 61
Excise tax, State of Ohio	3,218 85
Total	<u>\$1,105,694 21</u>

Summary of first charges

Interest on funded debt	\$2,268,938 33
Rentals of leased lines	510,310 00
Taxes	1,105,694 21
Interest on loans, notes and bills payable	842,176 27
Interest on Equipment Trust Certificates	214,402 05
Total first charges	<u>\$4,941,520 86</u>

DIVIDENDS

Payable July 29, 1908	3% on 187,380 shares of capital stock	\$562,140 00
Payable January 29, 1909	3% on 187,380 shares of capital stock	562,140 00
Total	<u>6%</u>	<u>\$1,124,280 00</u>

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1908

*Assets**Cost of road and equipment*

Michigan Central Railroad—Main line		\$35,213,257 09
Michigan Air Line Railroad	\$3,299,652 23	
Grand River Valley Railroad	2,501,715 87	
Jackson, Lansing & Saginaw Railroad	2,589,921 64	
Kalamazoo & South Haven Railroad	815,610 24	
Detroit & Bay City Railroad	4,168,297 78	
Bay City & Battle Creek Railroad	7,171 75	
Battle Creek & Sturgis Railroad	330 59	
Joliet and Northern Indiana Railroad	862,338 77	14,245,038 87
Total cost of road and equipment		\$49,458,295 96

Securities owned

Stock in sundry companies	\$7,784,626 50	
Bonds of sundry companies	351,976 00	8,136,602 50

Other property

Real estate, etc., not used in operation of the road		302,597 18
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Fuel and supplies

1,569,779 68

Current assets

Cash charged Treasurer and Local Treasurer	\$3,683,939 86	
Loans and bills receivable		
Detroit River Tunnel Co.	\$4,297,825 26	
Indiana Harbor Belt R. R.	793,846 61	
Chicago, Kalamazoo & Saginaw Ry.	221,748 50	
Chicago, Indiana & Southern R. R.	195,000 00	
Toledo Terminal Railroad	34,302 00	
Other companies	64,393 86	5,607,116 23
Traffic balances receivable	2,833,706 38	
Sundry collectible accounts	1,535,255 57	13,660,018 04

Items in suspense

146,220 13

\$73,273,513 49

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1908

Liabilities

Capital stock \$18,738,000 00

Funded debt

Michigan Central 3½% bonds of 1952	\$14,000,000 00	
Grand River Valley 6% bonds of 1909	1,500,000 00	
Detroit & Bay City 5% bonds of 1931	4,000,000 00	
Kalamazoo & South Haven 5% bonds of 1939	700,000 00	
Michigan Air Line 4% bonds of 1940	2,600,000 00	
Jackson, Lansing & Saginaw 3½% bonds of 1951	1,730,000 00	
Joliet and Northern Indiana 4% bonds of 1957	1,500,000 00	26,030,000 00
Total capitalization		<u>\$44,768,000 00</u>

Three year 5% gold notes of 1910 10,000,000 00

Current liabilities

Wages	\$738,891 20	
Loans and bills payable	4,450,000 00	
Traffic balances payable	748,891 93	
Interest and rentals accrued	594,031 84	
Interest unclaimed	28,607 50	
Dividend payable January 29, 1909	562,140 00	
Dividends unclaimed	5,333 00	
Sundry accounts payable	2,506,145 94	9,634,041 41

Accounts with lessor companies

Canada Southern Railway Company 4,910 67

Other Accounts

Insurance Fund—buildings 125,547 35

Profit and loss 8,741,014 06

\$73,273,513 49

CAPITALIZATION

Capital stock

Number of shares issued and outstanding	} 187,380	Total par value issued and out-standing	} \$18,738,000 00
Number of shares authorized	187,380	Total par value authorized	\$18,738,000 00
Par value per share	\$100 00		

Amount of capital stock per mile of road owned (270.07 miles) \$69,382.00

Funded debt

Class of bond	Date of issue	Date of maturity	Amount of authorized issue	Amount issued and now outstanding	Rate of interest	Payable on the first days of
Michigan Central First mortgage	1902	May 1, 1952	\$18,000,000	\$14,000,000	3½ %	May and November
Grand River Valley First mortgage	1879	September 1, 1909	500,000	500,000	6 %	March and September
Grand River Valley First mortgage	1886	September 1, 1909	1,000,000	1,000,000	6 %	March and September
Detroit & Bay City First mortgage	1881	March 1, 1931	4,000,000	4,000,000	5 %	March, June, September and December
Kalamazoo & South Haven First mortgage	1889	November 1, 1939	700,000	700,000	5 %	May and November
Michigan Air Line First mortgage	1890	January 1, 1940	2,600,000	2,600,000	4 %	January and July
Jackson, Lansing & Saginaw First mortgage	1901	September 1, 1951	*2,000,000	1,730,000	3½ %	March and September
Joliet and Northern Indiana First mortgage	1907	July 10, 1957	3,000,000	1,500,000	4 %	January and July 10th
Total amount of funded debt				\$26,030,000		

*\$270,000 purchased and retired by the Land Grant Trustees

Amount of funded debt per mile of road

Road	Funded debt	Miles	Amount per mile of road
Michigan Central Railroad	\$14,000,000	270.07	\$51,838
Grand River Valley Railroad	1,500,000	83.79	17,902
Detroit & Bay City Railroad	4,000,000	175.73	22,762
Kalamazoo & South Haven Railroad	700,000	39.50	17,722
Michigan Air Line Railroad	2,600,000	115.16	22,577
Jackson, Lansing & Saginaw Railroad	1,730,000	379.23	4,562
Joliet and Northern Indiana Railroad	1,500,000	45.00	6,667
	\$26,030,000	1,108.48	\$23,483

Treasurer, Grand Central Station, New York	{ Transfers stock and pays dividends on stock
	{ Transfers and pays interest on registered bonds
	{ Pays coupons from Michigan Central first mortgage bonds and bonds due 1951, secured by mortgage on the Jackson, Lansing & Saginaw Railroad
Guaranty Trust Company of New York	{ Pays coupons from Michigan Central 4% bonds due 1957, secured by First mortgage on Joliet and Northern Indiana Railroad
Union Trust Company of New York	{ Pays coupons from all other issue of bonds

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1907

The following statement shows the character of the equipment acquired under the terms of the New York Central Lines Equipment Trust Agreement and Lease of 1907, together with the total amount of certificates issued by the Guaranty Trust Company, and the amount now outstanding:

ROAD	Locomotives	Passenger Cars	Freight Cars	Company Service Cars	Certificates Issued by Guaranty Trust Co. for 90 per cent of value	Rental paid and applied to Redemption of Certificates	Balance Certificates Issued by Guaranty Trust Co. Outstanding December 31, 1908
N. Y. C. & H. R. R. R.	447	88	4,000		\$11,904,901 78	\$793,660 12	\$11,111,241 66
L. S. & M. S. RY	125	25	4,000	200	6,708,392 73	447,226 18	6,261,166 55
C. I. & S. R. R.	2	8	3,400	150	3,779,976 60	251,998 44	3,527,978 16
M. C. R. R.	5	15	3,500	200	3,906,381 73	260,425 45	3,645,956 28
C. C. C. & ST. L. RY	112	17	1,525	100	3,700,347 16	246,689 81	3,453,657 35
TOTALS	691	153	16,425	650	\$30,000,000 00	\$2,000,000 00	\$28,000,000 00

In addition to the annual rental payment of one-fifteenth of the par value of the certificates originally issued, the further sum of \$1,500,000, representing interest at the rate of 5% per annum on \$30,000,000 of certificates, was paid in 1908 by the companies, parties to the agreement, as follows:

New York Central & Hudson River Railroad Company	\$595,245 08
Lake Shore & Michigan Southern Railway Company	335,419 64
Chicago, Indiana & Southern Railroad Company	188,998 84
Michigan Central Railroad Company	195,319 08
Cleveland, Cincinnati, Chicago & St. Louis Railway Company	185,017 36
TOTAL	\$1,500,000 00

TRAFFIC STATISTICS

FREIGHT CARRIED AND TON MILEAGE

	1908	1907	Increase	Decrease
Tons of freight earning revenue	14,347,464	16,538,163		2,190,699
Tons of company freight	1,733,860	1,975,933		242,073
Total number of tons carried	16,081,324	18,514,096		2,432,772
Tons of revenue freight carried one mile	2,634,120,022	3,027,734,750		393,614,728
Tons of company freight carried one mile	112,256,860	125,603,560		13,346,700
Total number of tons carried one mile	2,746,376,882	3,153,338,310		406,961,428

DESCRIPTION OF FREIGHT MOVED

PRODUCTS OF AGRICULTURE				
Grain	1,116,210	1,055,044	61,166	
Flour	251,038	240,756	10,282	
Other mill products	256,591	218,229	38,362	
Hay	128,631	140,684		12,053
Tobacco	11,947	12,399		452
Cotton	45,341	35,182	10,159	
Fruit and vegetables	234,571	240,022		5,451
Other articles	328,716	230,459	98,257	
PRODUCTS OF ANIMALS				
Live stock	405,988	399,422	6,566	
Dressed meats	153,300	248,187		94,887
Other packing house products	96,828	118,014		21,186
Poultry, game and fish	26,195	31,820		5,625
Wool	12,946	11,495	1,451	
Hides and leather	40,489	34,692	5,797	
Dairy products	60,746	66,034		5,288
Other articles	30,114	25,917	4,197	
PRODUCTS OF MINES				
Anthracite coal	1,232,777	1,215,746	17,031	
Bituminous coal	2,459,090	2,827,084		367,994
Coke	151,188	193,569		42,381
Ores	35,372	26,639	8,733	
Stone, sand and other like articles	1,226,883	1,615,383		388,500
Other articles	249,774	217,214	32,560	
PRODUCTS OF FOREST				
Lumber	664,892	988,100		323,208
Other articles	1,039,063	1,140,955		101,892
MANUFACTURES				
Petroleum and other oils	120,953	102,827	18,126	
Sugar	67,518	85,890		18,372
Iron: pig and bloom	90,886	197,239		106,353
Iron and steel rails	16,719	30,196		13,477
Other castings and machinery	355,214	630,646		275,432
Bar and sheet metal	166,773	386,822		220,049
Cement, brick and lime	382,838	376,022	6,816	
Agricultural implements	63,924	77,210		13,286
Wagons, carriages, tools, etc	50,079	53,583		3,504
Wines, liquors and beers	40,439	36,150	4,289	
Household goods and furniture	40,159	39,991	168	
Other articles	1,700,959	1,900,813		199,854
MISCELLANEOUS				
Other commodities not previously mentioned	992,313	1,287,728		295,415
TOTAL	14,347,464	16,538,163		2,190,699

TRAFFIC STATISTICS (continued)

PASSENGERS CARRIED AND TICKET MILEAGE

	1908	1907	Increase	Decrease
Interline passengers	857,888	881,849		23,961
Local passengers	3,860,285	3,738,555	121,730	
Commutation passengers	432,698	361,227	71,471	
Total number of passengers carried	5,150,871	4,981,631	169,240	
Passengers carried one mile	309,184,971	312,790,973		3,606,002

TRAIN MILEAGE

Freight trains	6,505,618	6,903,845		398,227
Passenger trains, exclusive of straight mail and express trains	5,220,621	5,675,111		454,490
Mail and express trains exclusive	272,275	327,200		54,925
Mixed trains	447,581	309,701	137,880	
Work trains	173,738	341,938		168,200
Total train mileage	12,619,833	13,557,795		937,962

ENGINE MILEAGE

Freight engines	7,696,253	8,594,568		898,315
Passenger engines	6,167,823	6,447,453		279,630
Switching engines	5,033,921	5,547,005		513,084
Work engines	400,214	783,479		383,265
Total engine mileage	19,298,211	21,372,505		2,074,294

CAR MILEAGE

Loaded freight cars	166,124,593	187,027,832		20,903,239
Empty freight cars (including caboose cars)	79,492,365	71,436,226	8,056,139	
Total freight cars	245,616,958	258,464,058		12,847,100
Passenger cars	37,123,393	37,893,534		770,141
Work cars	3,080,528	5,655,132		2,574,604
Total car mileage	285,820,879	302,012,724		16,191,845
Miles of road, including trackage, operated in freight service	1,746.46	1,746.46		
Miles of road, including trackage, operated in passenger service	1,700.77	1,700.77		

TRAFFIC STATISTICS (concluded)

FREIGHT RESULTS

	1908	1907	Increase	Decrease
Earnings from transportation	\$16,513,137 59	\$19,412,008 10		\$2,898,870 51
from miscellaneous sources	433,863 91	514,795 18		80,931 27
Total freight earnings	\$16,947,001 50	\$19,926,803 28		\$2,979,801 78
Earnings per ton	\$1.15	\$1.17		\$0.02
Earnings per ton per mile	cts. 0.627	cts. 0.641		cts. 0.014
Earnings per train mile	\$2.38	\$2.69		\$0.31
Earnings per mile of road, trackage included, operated in freight service	\$9,703.63	\$11,409.83		\$1,706.20
Density of freight traffic (<i>i. e.</i> tons carried one mile per mile of road)	1,572,539	1,805,560		233,021
Average number of tons of revenue earning freight carried per train mile	379	420		41
Average number of tons of all freight (including company's) carried per train mile	395	437		42
Average number of revenue tons per loaded car mile	16	16		
Average number of all tons per loaded car mile	17	17		
Average number of miles one ton carried	184	183	1	
Average number of miles one ton carried (including company's)	171	170	1	
Average number of loaded cars per train mile	23.89	25.93		2.04
Average number of empty cars per train mile	11.43	9.90	1.53	
Average number of freight cars per train mile	35.32	35.83		51

PASSENGER RESULTS

Total earnings from passengers	\$6,030,419 26	\$6,422,952 73		\$392,533 47
Other passenger train earnings	122,106 59	103,483 43	\$18,623 16	
From miscellaneous sources	15,664 34	14,666 51	997 83	
Total passenger earnings	\$6,168,190 19	\$6,541,102 67		\$372,912 48
Earnings from mail and express	\$1,454,203 86	\$1,670,805 84		\$216,601 98
Earnings per passenger	\$1.17	\$1.29		\$0.12
Earnings per passenger per mile	cts. 1.95	cts. 2.05		cts. 0.10
Earnings per train mile	\$1.09	\$1.09		
Earnings per train mile, including mail and express earnings	\$1.28	\$1.30		\$0.02
Earnings per mile of road operated in passenger service, trackage included (including mail and express)	\$4,481.73	\$4,827.05		\$345.32
Density of passenger traffic (<i>i. e.</i> passengers carried one mile per mile of road)	181,791	183,911		2,120
Average number of passenger cars per train mile	6.25	6.00	25	
Average number of passengers per train mile	55	52	3	
Average number of miles one passenger carried	60	63		3

TABLE OF TRACKS

MAIN LINE	Miles	Second track	Third track	Fourth track	Sidings	Total
Kensington to Detroit	270·07	270·07	3·00	3·00	356·24	902·38
PROPRIETARY LINES						
Detroit & Bay City Railroad	109·00	7·60			45·07	161·67
Bay City & Battle Creek Railway	18·00				10·12	28·12
Battle Creek & Sturgis Railway	33·80				3·69	37·49
Detroit, Delray & Dearborn Railroad	5·96				1·61	7·57
Joliet & Northern Indiana Railroad	45·00				27·32	72·32
Detroit, Toledo & Milwaukee Railroad	66·56				10·14	76·70
<i>Total proprietary lines</i>	278·32	7·60			97·95	383·87
BRANCHES						
On Detroit & Bay City Railroad	66·73				55·16	121·89
<i>Total proprietary lines and branches</i>	345·05	7·60			153·11	505·76
LEASED LINES						
Michigan Air Line Railroad	115·16				45·45	160·61
Grand River Valley Railroad	83·79				20·72	104·51
Kalamazoo & South Haven Railroad	39·50				7·13	46·63
Jackson, Lansing & Saginaw Railroad	295·10	3·44			292·63	591·17
Detroit Manufacturers' Railroad	1·29				1·86	3·15
St. Joseph, South Bend & Southern Railroad	39·44				7·21	46·65
Benton Harbor Extension	1·63				·74	2·37
Canada Southern Railway (in Canada)	226·18	226·18			144·33	596·69
Canada Southern Bridge Company	3·66				1·65	5·31
St. Clair & Western Railroad	14·68				1·40	16·08
Toledo, Canada Southern & Detroit Railway	55·87	3·40			99·24	158·51
<i>Total leased lines</i>	876·30	233·02			622·36	1,731·68
BRANCHES						
On Jackson, Lansing & Saginaw Railroad	84·13				107·31	191·44
On Toledo, Canada Southern & Detroit } Railway	3·05				9·13	12·18
On Canada Southern Railway (in Canada)	153·86	16·80			44·56	215·22
	241·04	16·80			161·00	418·84
<i>Total leased lines and branches</i>	1,117·34	249·82			783·36	2,150·52
<i>Total main line, proprietary and leased lines</i>	1,732·46	527·49	3·00	3·00	1,292·71	3,558·66
LINES OPERATED UNDER TRACKAGE RIGHTS						
Illinois Central Railroad, Kensington } to Chicago	14·00	14·00				28·00
<i>Grand total, all lines operated</i>	1,746·46	541·49	3·00	3·00	1,292·71	3,586·66

Recapitulation according to States

	Main line	Proprietary	Leased	Otherwise operated	Total
Michigan	221·00	300·05	705·42		1,226·47
Illinois	6·07	29·00		14·00	49·07
Indiana	43·00	16·00	20·23		79·23
Ohio			11·65		11·65
Canada			380·04		380·04
	270·07	345·05	1,117·34	14·00	1,746·46

Gauge of track, 4 feet 8½ inches. Weight of rail, per yard, 52 to 100 pounds

Annual Report

EQUIPMENT

Including Equipment of Leased Lines

LOCOMOTIVES		1908	1907
For passenger service		142	142
For freight service		261	266
For switching service		136	136
Total locomotives in service		539	544
Average mileage per engine		35,807	39,335
Cost of repairs (excluding renewals) per engine mile		cts. 5.44	cts. 5.53
Cost of fuel per ton		\$1.985	\$2.072
Cost of fuel per engine mile		cts. 12.31	cts. 12.07
CARS IN PASSENGER SERVICE			
Passenger coaches		105	105
Smoking cars		30	30
Combination cars		29	28
Immigrant and excursion cars		73	76
Dining cars		15	16
Buffet and cafe cars		15	15
Mail, express and baggage cars		129	129
Officers' and pay cars		6	6
Other cars in passenger service		13	13
Passenger cars, joint service (M. C. proportion)		3	3
Special service cars		3	
Totals		421	421
Total seating capacity of revenue passenger cars		15,321	15,462
Average mileage per passenger car		85,145 miles	87,112 miles
Cost of repairs (excluding renewals) per passenger car mile		cts. 0.449	cts. 0.377
CARS IN FREIGHT SERVICE			
Box cars		11,851	12,106
Flat cars, common		2,547	2,579
Flat cars, steel		94	95
Stock cars		*1,037	*1,047
Coal and coke cars		2,433	2,446
Refrigerator and produce cars		582	582
Caboose cars		294	296
Oil transport cars		35	35
Totals		18,873	19,186
Total capacity of freight cars		596,460 tons	604,060 tons
Average capacity of freight cars		32.10 tons	31.98 tons
CARS IN COMPANY'S SERVICE			
Ballast cars		180	180
Derrick cars		4	4
Steam wrecking cranes		6	5
Cinder and push cars		25	26
Other road cars		565	572
Totals		780	787
MARINE DEPARTMENT			
Ferryboats			
Side wheel, single deck		3	3
Screw wheel, single deck		1	1
Totals		4	4

* Includes 250 cars leased from Mather Stock Car Co.

EQUIPMENT (Continued)

Leased Under Equipment Trust

LOCOMOTIVES

	1908	1907
For passenger service	5	
Totals,	5	
Average mileage per engine	6,964	
Cost of repairs (excluding renewals) per engine mile	cts. 3.25	
Cost of fuel per ton	\$1.985	
Cost of fuel per engine mile	cts. 10.53	

CARS IN PASSENGER SERVICE

Smoking cars	6	6
Combination cars	8	8
Buffet cars	1	1
Totals	15	15
Total seating capacity of revenue passenger cars	874	874
Average mileage, per passenger car	85,145	87,112 miles
Cost of repairs (excluding renewals) per passenger car mile	cts. 0.449	cts. 0.377

CARS IN FREIGHT SERVICE

Box cars	1,993	1,915
Flat cars, steel	500	500
Coal cars	1,000	1,000
Totals,	3,493	3,415
Total capacity of freight cars	144,770	141,600 tons
Average capacity of freight cars	41.45	41.46 tons

CARS IN COMPANY'S SERVICE

Ballast cars	200	200
Totals	200	200

*REPORT OF THE LAND COMMISSIONER OF THE JACKSON, LANSING &
SAGINAW RAILROAD COMPANY*

MR. W. H. NEWMAN

President Michigan Central Railroad

NEW YORK

DETROIT, MICH., JANUARY 31st, 1909

DEAR SIR—I respectfully submit herewith annual statement of the business of the Land Department of this company for the year ending December 31st, 1908

LANDS AND SALES

LANDS	Acres	Amount
Unsold January 1st, 1908, according to patents	27,649.15	
Sold during the year	774.10	
Unsold at the close of the year	26,875.05	
Sales		
Lands		\$4,885 82

LAND CONTRACTS

Total amount due on contracts at the close of the year \$17,904 97

The sales for the last five years are as follows

	1904	1905	1906	1907	1908
Acres sold	8,076.33	3,786.10	11,096.11	1,384.85	774.10
Average per acre	\$2 62	\$3 87	\$2 48	\$7 96	\$6 31
Land sales	\$21,137 96	\$14,646 46	\$27,558 29	\$11,028 78	\$4,885 82
Timber sales		50 00			
Total	\$21,137 96	\$14,696 46	\$27,558 29	\$11,028 78	\$4,885 82

*REPORT OF THE LAND COMMISSIONER OF THE JACKSON, LANSING &
SAGINAW RAILROAD COMPANY (concluded)*

RECEIPTS

Cash on hand January 1st, 1908	\$542 13	
From payments on land contracts and sales	6,454 60	
From interest	705 32	
From trustees	1,100 00	
	<hr/>	
Total		\$8,802 05
		<hr/> <hr/>

DISBURSEMENTS

For taxes	\$1,402 12	
For salaries and commissions	3,525 00	
For explorations	11 04	
For legal expenses	293 65	
For miscellaneous expenses	1,083 77	
Balance	2,486 47	
	<hr/>	
Total		\$8,802 05
		<hr/> <hr/>

NATHANIEL E. SLAYMAKER
Land Commissioner.

Messrs. Ledyard, Russel and Joy, Trustees

Balance on hand end of 1907, as shown by report for that year	\$15,157 72	
Interest on land fund year 1908	188 48	
	<hr/>	
Total		\$15,346 20
Bonds purchased and cancelled during 1908	\$9,287 50	
Amount refunded commissioner	1,100 00	10,387 50
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Cash on hand December 31, 1908		\$4,958 70
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